

Exhibit No. 3Date 3-27-15Bill No. SB413GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING**Fiscal Note 2017 Biennium**

<b>Bill #</b>	SB0413	<b>Title:</b>	Create informal small claims division within the state tax appeal board
<b>Primary Sponsor:</b>	Arntzen, Elsie	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

**FISCAL SUMMARY**

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$33,432	\$30,990	\$31,455
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>(\$33,432)</u>	<u>(\$30,990)</u>	<u>(\$31,455)</u>

**Description of fiscal impact:** SB 413 creates a small claims division of the Montana Tax Appeal Board, allowing for taxpayers to bring an action for tax deficiency amounts less than \$5,000, excluding penalty and interest. The creation of a new small claims function with the Montana Tax Appeal Board would require an additional .50 FTE paralegal and associated operating costs.

**FISCAL ANALYSIS****Assumptions:****Department of Administration**

- The effective date would be July 1, 2016 or the start of FY 2017.
- A 0.50 FTE paralegal salary would be \$15,253 (\$30,505 minimum pay range band 4 paralegal x 0.50 FTE). Insurance and benefits would be \$15,302 (\$12,180 for state share insurance, and \$2,654 for benefits at 17.4%). A 1.5% inflationary factor is added for FY 2018 & 2019.
- The new employee office package is \$1,600 and computer setup is \$1,300 for a total additional operating cost the first year of \$2,900.
- State Information Technology Services Division support costs are \$445.20 each year (\$37.10 per month x 12 months).



SENATE FINANCE & CLAIMS

Exhibit No. \_\_\_\_\_

Date \_\_\_\_\_

Bill No. \_\_\_\_\_



**Department of Revenue**

5. SB 413 creates a small claims division of the state tax appeal board, allowing for taxpayers to bring an action for tax deficiency amounts less than \$5,000, excluding penalty and interest. Any decision by the small claims division is binding and not subject to appeal.
6. The state tax appeal board may set a fee for the small claims division, not in excess of the fees charged and collected by the clerk of the district court. These fees are non-refundable and must be deposited in the general fund.
7. This bill would result in a new fee added to county collections application. The cost would be absorbed by the department.
8. This act applies to proceedings commenced after June 30, 2016.

**Judicial Branch**

9. There is no fiscal impact to the branch as a result of this legislation.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	0.00	0.50	0.50	0.50
<b><u>Expenditures:</u></b>				
Personal Services	\$0	\$30,087	\$30,538	\$30,996
Operating Expenses	\$0	\$3,345	\$452	\$459
<b>TOTAL Expenditures</b>	<u>\$0</u>	<u>\$33,432</u>	<u>\$30,990</u>	<u>\$31,455</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$33,432	\$30,990	\$31,455
<b>TOTAL Funding of Exp.</b>	<u>\$0</u>	<u>\$33,432</u>	<u>\$30,990</u>	<u>\$31,455</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	(\$33,432)	(\$30,990)	(\$31,455)

Sponsor's Initials

Date

Budget Director's Initials

Date